

**Testimony of
Michael J. Mahoney**

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY
WESTERN MASSACHUSETTS ELECTRIC COMPANY

D.T.E. 06-35

TESTIMONY OF
MICHAEL J. MAHONEY
ON BEHALF OF
WESTERN MASSACHUSETTS ELECTRIC COMPANY

MARCH 31, 2006

1 THE COMMONWEALTH OF MASSACHUSETTS
2
3 BEFORE THE
4 DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY
5
6 WESTERN MASSACHUSETTS ELECTRIC COMPANY
7 TESTIMONY OF
8 MICHAEL J. MAHONEY
9 D.T.E. 06-35

11 Q. Will you please state your name, business address and your present position?

12

13 A. My name is Michael J. Mahoney. My business address is 107 Selden
14 Street, Berlin, Connecticut. I am Director - Revenue Requirements for
15 Northeast Utilities Service Company ("NUSCO") which provides centralized
16 services to the Northeast Utilities ("NU") operating subsidiaries, including
17 Western Massachusetts Electric Company ("WMECO" or the "Company"),
18 The Connecticut Light and Power Company ("CL&P"), Public Service
19 Company of New Hampshire ("PSNH") and The Yankee Gas Services
20 Company ("YGS").

21

22 Q. Please summarize your education and professional experience.

23

24 A. I graduated with a bachelor of science degree in accounting from Bentley
25 College in 1980 and a master's degree in business administration, with

1 concentration in finance from the University of Hartford in 1991. I joined
2 Northeast Utilities in 1980 and have served in a number of positions,
3 including: Manager-Revenue Requirements for WMECO, Manager-Revenue
4 Requirements for WMECO's affiliate, The Connecticut Light and Power
5 Company ("CL&P"), and Manager-Revenue Services for NUSCO. In 1996, I
6 became Director-Financial Planning, in 1997 Assistant Controller - Rate
7 Regulation, and in 2001 Utility Group Controller. I assumed my current
8 position in January of 2005.

9

10 Q. What are your responsibilities as Director of Revenue Requirements?

11

12 A. As Director of Revenue Requirements, I am responsible for the coordination
13 and implementation of revenue requirement calculations for WMECO, CL&P
14 and YGS. In addition, I have overall responsibility for both WMECO's and
15 CL&P's securitization calculations, stranded cost reconciliations,
16 conservation and load management journal entries and WMECO's
17 transmission tracker. I will discuss the transmission tracker in greater detail
18 later in my testimony. As part of these responsibilities, I direct the
19 preparation and filing of various documents and exhibits related to the
20 electric and gas industry, including this reconciliation filing before the
21 Massachusetts Department of Telecommunications and Energy
22 ("Department").

23

1 Q. Have you previously testified before the Department?

2

3 A. Yes, I have recently testified before the Department in D.T.E. 05-10/04-
4 40/04-109, WMECO's 2003-2004 Transition Cost and Transmission Tracker
5 Reconciliations.

6

7 Q. What is the purpose of your testimony in this docket?

8

9 A. The purpose of my testimony is to summarize the reconciliation of actual
10 transition costs to actual transition charge revenues for the 12 month period
11 from January 1, 2005 through December 31, 2005 ("reconciliation period").
12 Later in my testimony I will also discuss the reconciliation of the retail
13 transmission costs with the transmission revenue for the same period.

14

15 Q. Can you expand on the actual transition costs included in the reconciliation
16 period for 2005?

17

18 A. Yes. As stated in previous transition cost reconciliations, there are two
19 general categories of transition costs that were collected during the
20 reconciliation period, in this case the calendar period 2005. The first
21 category is fixed costs which are summarized on Exhibit MJM-3, page 2 of
22 13. Primarily, these costs represent the amortization of WMECO's stranded
23 generation assets as approved by the Department in D.T.E. 97-120, D.T.E.

1 00-33, D.T.E. 01-36/02-20 and D.T.E. 03-34. The amortization of these
2 regulatory assets is detailed on Exhibit MJM-3, Pages 6 and 6A of 13. The
3 fixed cost category also includes recovery of WMECO's rate reduction
4 bonds, which were approved by the Department in D.T.E. 00-40. These
5 costs were also reviewed and approved by the Department in WMECO's
6 prior transition charge reconciliation filings covering the period 1998-2002
7 (D.T.E. 00-33, D.T.E 01-36 / 02-20 and D.T.E. 03-34). The fixed costs for
8 the 2003 and 2004 have been reviewed in D.T.E. 05-10/04-40/-04-109 and
9 are pending approval by the Department.

10
11 The second category is variable costs which are summarized on Exhibit
12 MJM-3, Page 3. These costs relate primarily to WMECO's stranded
13 purchase power contracts and associated nuclear decommissioning costs.
14 These types of costs were approved for recovery by the Department in
15 D.T.E. 97-120.

16
17 As mentioned above the 2003 and 2004 transition costs in D.T.E. 05-10/04-
18 40/04-109 are pending approval by the Department. Once a decision is
19 rendered, to the extent the Department's decision impacts the 2005
20 reconciliation period, the Company will update its exhibits accordingly.

21
22 Q. Are there any new items included in the reconciliation period?
23

1 A. Yes. The Company has proposed to collect the unrecovered portion of the
2 Default Service Adder created as a result of the Settlement in D.T.E. 03-88-
3 F (March 31,2005) approved by the Department. Because the Default
4 Service/Basic Service under/over-recoveries are included as part of
5 transition costs, the Company believes it is appropriate to also include the
6 unrecovered portion of the Default Service Adder. The amount of the
7 Default Service under-recovery is \$117,000 as shown on Exhibit MJM-5. As
8 discussed later in my prefiled testimony, the 2005 Default Service Adder
9 under-recovery will be included in the 2006 Transition Cost Reconciliation
10 period for recovery after the Department's review in this docket.

11

12 All other costs included in the reconciliation period are consistent with
13 previously approved costs or those currently before the Department pending
14 approval.

15

16 Q. What approval is WMECO seeking as part of this reconciliation filing?

17

18 A. WMECO is seeking approval of the transition charge reconciliation balances
19 for 2005. The calculations and data presented for approval in this filing
20 pertain solely to the 12 months of actual results related to the recovery of
21 transition costs from January 1, 2005 through December 31, 2005.

22 Transition costs through 2002 have been reconciled and approved by the
23 Department in D.T.E. 00-33, D.T.E. 01-36/02-20, and D.T.E. 03-34. As

1 mentioned earlier the 2003-2004 transition costs have been reviewed by the
2 Department and are pending approval.

3

4 Q. Has WMECO included carrying costs on the over-recovery for this
5 reconciliation period?

6

7 A. Yes. Carrying costs from March 1, 1998 through December 31, 2005 are
8 included on Exhibit MJM-3, page 1, in the amount of \$10.164 million, and
9 are calculated in a manner consistent with the Department's order in D.T.E.

10 03-34.

11

12 Q. Where in the filing is the summary of transition charge revenues for the
13 reconciliation period and the calculation of the allowed transition charge for
14 2005?

15

16 A. The actual transition charge revenues for the reconciliation period are
17 provided in Exhibit MJM-1, page 1. Exhibit MJM-2, page 1, provides the
18 calculation of the transition charge based on the total rates for 2005, as
19 approved by the Department in WMECO's Rate Case Settlement in D.T.E.
20 04-106 (December 29, 2004).

21

22 Q. Did the Company make any changes to the format of the transition charge
23 reconciliation?

1

2 A. No. Exhibit MJM-3 summarizes all transition costs for the 2005
3 reconciliation period and is comparable in format to WMECO's past
4 transition charge reconciliation filings; D.T.E. 00-33 (for March 1998 -1999),
5 D.T.E. 01-36 (2000), D.T.E. 02-20 (2001), D.T.E. 03-34 (2002) and D.T.E.
6 05-10/04-40/04-109 (2003 and 2004). The presentation of Exhibit MJM-3 is
7 consistent with prior transition cost calculations and shows a breakout of
8 both the fixed and variable categories described earlier. Exhibit MJM-3
9 includes actual costs for 1998 (10 months), 1999, 2000, 2001, 2002, 2003,
10 2004 and 2005. The 1998, 1999, 2000, 2001, 2002, 2003 and 2004 costs
11 are presented for informational purposes only. The costs for 1998-2002
12 have been approved in reconciliation filings D.T.E. 00-33, D.T.E. 01-36/02-
13 20, and D.T.E. 03-34 respectively and are not at issue in this proceeding.
14 The 2003 and 2004 transition costs are pending Department approval in
15 D.T.E. 05-10/04-40/04-109. The 2006 through 2013 amounts represent
16 forecasted costs from D.T.E. 97-120 and also are included for informational
17 purposes only. They will be replaced with actual costs and addressed in
18 future transition charge reconciliation proceedings. However, to the extent
19 that Department decisions in prior transition charge reconciliation
20 proceedings impacted future years, the forecasted costs were adjusted
21 accordingly.

22

1 Q. Are there any adjustments to the forecasted period from that filed by the
2 Company in DTE 05-10/04-40/04-109?

3

4 A. Yes. Let me explain. As part of WMECO's compliance with the
5 Massachusetts Electric Utility Restructuring Act (Chapter 164 of the Acts of
6 1997), the Company, in March 2000 sold its ownership share in the
7 Northfield Mountain System through a competitive bidding process to an
8 unregulated NU affiliate, Northeast Generation Services Company ("NGS").
9 This sale was approved by the Department in D.T.E. 99-74 (January 31,
10 2000). Because NGS was an affiliate, WMECO received a secondary
11 benefit resulting from the sale related to the inter-company tax liability. A
12 portion of this tax liability was included beginning in the 2000 transition cost
13 reconciliation as part of an overall settlement approved in D.T.E. 02-20
14 (December 27, 2002). The settlement also stated that the Company would
15 provide a credit to customers for the life of the inter-company liability or until
16 the affiliate resells the Northfield Mountain System to a non affiliated entity
17 (D.T.E. 02-20, Offer of Settlement, Page 5).

18

19 What has transpired most recently is that NU, WMECO's parent, has
20 announced that it will divest its unregulated businesses, including NGS. NU
21 is taking steps to effectuate that goal. Accordingly, the Company has made
22 an adjustment to 2007 and beyond for the removal of the "Deferred Taxes –

1 Credit Due to Sale to Affiliate" amount shown on Exhibit MJM-3, Page 12,
2 Col. B(2).

3

4 Q. Has the forecasted period been adjusted for any other events?

5

6 A. Yes. The 2006 reconciliation period also reflects the inclusion of the
7 unrecovered Default/Basic Service and Default Service Adder balances of
8 \$4.172 million for 2005 which are under review in this docket.

9

10 Q. Is WMECO seeking any type of approval associated with the forecasted
11 costs in Exhibit MJM-3?

12

13 A. No. As noted earlier, the forecasted costs are included for informational
14 purposes only and have been included to maintain a consistent transition
15 charge reconciliation format with the filings in D.T.E. 97-120, D.T.E. 00-33,
16 D.T.E. 01-36, D.T.E. 02-20, D.T.E. 03-34, D.T.E. 04-40 and D.T.E. 05-
17 10/04-40/04-109.

18

19 Q. Earlier you mentioned that you had responsibility for the transmission
20 tracker. Can you elaborate?

21

22 A. Each year the Company files estimated transmission expenses as well as a
23 reconciliation of the prior year's actual expenses and revenues. The

1 purpose of this filing is to recover transmission costs on an ongoing basis
2 pursuant to WMECO's transmission tracking mechanism (MDTE 1028B).
3 Exhibit MJM-4 reconciles the actual costs for the period January 1, 2005
4 through December 31, 2005.

5

6 Transmission costs prior to January 1, 2005 are not at issue since the
7 Department has approved these costs for the period 1998-2001 and the
8 2002-2004 costs have been reviewed by the Department and pending
9 approval in D.T.E. 05-10/04-40/04-109.

10

11 Q. What is the result of the reconciliation of transmission costs for 2005?

12

13 A. The result of reconciling 2005 actual transmission costs and revenue is an
14 under-recovery of \$6.079 million as shown on Exhibit MJM-4, page 1.

15

16 Q. Are the expense categories consistent with past transmission
17 reconciliations?

18

19 A. Yes. However there have been three additional types of costs included in
20 the transmission tracker. They are Reliability Must Run (RMR), Special
21 Constrained Resources (SCR) and Load Response Program expenses on
22 Exhibit MJM-4, Page 1. These expenses are part of the Independent
23 Service Operator – New England (“ISO-NE”) expenses included in the

1 reconciliation period and have been described in more detail by the
2 Company's witness, Robert A. Baumann, in his prefilled testimony filed in this
3 proceeding.

4

5 Q. Can you elaborate on the types of expenses, other than the ISO-NE
6 expenses, that have been included in the transmission tracker consistent
7 with previously approved tracker reconciliations?

8

9 A. Yes. Transmission expenses included in the tracker are those incurred by
10 the Company and regulated by the Federal Energy Regulatory Commission
11 ("FERC") under Tariff 3.

12

13 Q. What services are provided to WMECO under ISO-NE Transmission
14 Markets and Services FERC Electric Tariff No. 3?

15

16 A. This tariff provides access over New England's regional transmission
17 facilities greater than or equal to 69kV, more commonly known as Pool
18 Transmission Facilities or "PTF". This service is referred to as Regional
19 Network Services ("RNS") and costs are recovered through the New England
20 Power Pool ("NEPOOL") RNS Rate.

21

22 Q. What other transmission services are provided to WMECO under NU's
23 FERC Electric Tariff No. 3?

1

2 A. Schedule 21-NU provides access over NU's Non-PTF transmission system
3 facilities. In addition, under Schedule 21-NU, NU provides WMECO
4 metering, transformation, and certain ancillary services to the extent those
5 ancillary services are needed by WMECO and are not provided under other
6 sections of Tariff 3.

7

8 Q. Has a carrying charge been calculated on the unrecovered transmission
9 tracker balance for the reconciliation period?

10

11 A. Yes, a carrying charge has been calculated and included for the
12 transmission tracker over/under-recoveries. In the past, the Department has
13 approved estimates of transmission costs for the year in which the request
14 was made as well as the following year. Thus, there was a timely
15 recognition of the outstanding over/under-recoveries. However, due to
16 various factors, the Department's most recent decision in D.T.E. 05-91
17 (December 29, 2005) did not include an approval of forecasted transmission
18 costs. This has resulted in a large under-collection of transmission costs.
19 Beyond this one specific instance, however, transmission costs are
20 becoming more volatile than has been the case in the past. The imposition,
21 or the possibility of the imposition, of significant ISO-related charges has
22 made it very difficult to accurately predict transmission costs. Given this
23 situation, it is entirely appropriate to protect both customers and

1 shareholders by applying a carrying charge to the transmission tracker
2 balance. As the Department is well aware, carrying charges are applied to
3 the balances of a number of tracking mechanisms. The balance of transition
4 costs and Default Service costs, as discussed in this very filing, are treated
5 this way. Because the Company believes the transition costs carrying
6 charge is most equitable to customers and shareholders, it requests a
7 carrying charge be applied to transmission costs in this filing consistent with
8 the treatment of the Department's approved carrying charge calculation in
9 the Company's Transition Cost reconciliation. The amount of the carrying
10 charge as reflected on Exhibit MJM-4, page 1, is \$212,186.

11

12 Q. Does this complete your testimony?

13

14 A. Yes. It does.

**Exhibits of
Michael J. Mahoney**

Exhibits

MJM - 1 2005 Transition Revenues

MJM - 2 Proposed Revenue and Rates Effective January 1, 2005

MJM - 3 Summary of Transition Charge

Summary of Transition Charges - Fixed Component
Summary of Transition Charge - Variable Component
1998 and 1999 Lost Revenues/Generation Operating Costs
Mitigation Incentive - Fossil-Fueled Units Sale 7/99
Mitigation Incentive – Northfield Mountain and Cabot and Turner Falls Sale 3/2000
Net Proceeds Calculation – Fossil and Hydro
Power Contracts – Incentive Mechanism (Redacted)
Nuclear Divestiture Proceeds
Vermont Yankee Sale to Entergy – Incentive Mechanism
Unrecovered Plant Balances
Generation-Related Regulatory Asset Summary
MP1 Regulatory Asset Summary
FAS 109
Unavoidable Nuclear Costs
Total Annual Decommissioning Cost
Power Contract Obligations
Annual Obligations – Market Value
Summary of Transition Charges (Redacted)
Calculation of Book Basis (Redacted)
Deferred Taxes on Fixed Component
Carrying Charge on Fixed Component
Actual Capital Structure by Year
Carrying Charge on Disallowance of Return on Millstone 2 & 3
Carrying Charge on Disallowance of Return on Millstone 1
Carrying Charge on FAS 106
5/17/01 Securitization Summary (Redacted)

MJM - 4 Retail Transmission Tracker (2005)

Retail Transmission Tracker Revenues and Expenses - 2005

MJM - 5 Default Service Adder

WMECO
2005 Transition Revenues

2005	(A) Billed Sales (MWH)	(B) Revenue (\$000s)	(B)/(A) Average Rate
January	365,078	\$ 2,306	0.00632 (a)
February	359,271	1,752	0.00488
March	338,774	1,628	0.00481
April	326,379	1,613	0.00494
May	301,113	1,498	0.00497
June	326,732	1,646	0.00504
July	383,335	1,851	0.00483
August	394,328	1,914	0.00485
September	353,949	1,744	0.00493
October	312,205	1,547	0.00496
November	316,812	1,589	0.00502
December	356,124	1,734	0.00487
Subtotal	4,134,100	20,822	
Less: December 2004 Unbilled	(162,330)	(1,340)	0.00825
Plus: December 2005 Unbilled	155,518	756	0.00486
Total MWH Sales	4,127,288	\$ 20,238	0.00490 0.4903 c/kWh

Note: Numbers may not add due to rounding.

- (a) Average rate is impacted by proration of bills; December 2004 sales billed in January 2005 at an average rate of 0.828 cents/kWh and January 2005 sales billed in January 2005 at an average rate of 0.5 cents/kWh. Please note, the transition charge is not billed to all customers strictly on an energy charge (i.e., per kWh) basis. Therefore, when the billed revenues for a particular month are divided by the billed sales, it is not uncommon for the resulting charge per kWh to be different than the average rate approved by the D.T.E.

Exhibit MJM-2

WMECO Proposed Revenue 12 Months Ending August 1997										
1	2	3	4	5	6	7	8	9	10	11
Rates	12 Months	Ending Aug 1997	Current	Billed Sales	Rate Revenue	Distribution	Demand Side Management	Renewable Energy	Proposed Rate Effective January 1, 2005	
						Revenue cents/kWh	Revenue cents/kWh	Revenue cents/kWh	Transmission Revenue cents/kWh	Standard Service Revenue cents/kWh
						Revenue cents/kWh	Revenue cents/kWh	Revenue cents/kWh	Revenue cents/kWh	Transition Revenue cents/kWh
9	R-1	\$64,680,555	\$98,035,589	\$39,260,222	4.540	\$2,161,701	0.250	\$432,340	0.050	\$4,012,118
10	R-2	75,998,636	\$6,071,695	\$876,233	1.077	\$189,987	0.250	\$37,999	0.050	\$352,634
11	R-3	256,258,606	\$27,084,630	\$9,402,536	3.669	\$640,647	0.250	\$128,129	0.050	\$1,165,977
12	R-4	30,085,330	\$2,164,020	\$86,335	0.287	\$75,238	0.250	\$15,048	0.050	\$136,934
13	23	2,364,300	\$265,115	\$100,655	4.257	\$5,911	0.250	\$1,182	0.050	\$11,987
14	24	6,947,668	\$816,329	\$333,807	4.804	\$17,370	0.250	\$3,474	0.050	\$34,555
15	G-0	460,436,225	\$51,839,038	\$19,847,018	4.310	\$1,151,091	0.250	\$230,218	0.050	\$2,300,517
16	T-0	2,598,917	\$226,163	\$45,613	1.755	\$6,497	0.250	\$1,299	0.050	\$12,869
17	G-2	439,047,259	\$41,615,537	\$1,209,504	2.553	\$1,097,618	0.250	\$219,524	0.050	\$2,083,666
18	T-4	14,230,416	\$1,254,175	\$288,701	1.888	\$35,576	0.250	\$7,115	0.050	\$67,784
19	S-1/S-2	36,964,441	\$4,454,120	\$9,934,540	10.731	\$9,1661	0.250	\$18,332	0.050	\$15,691
20	T-2	846,608,120	\$73,385,963	\$14,617,683	1.727	\$2,116,520	0.250	\$423,304	0.050	\$3,844,555
21	Service Extension T-2 Aggregate	86,710,332	\$6,523,872	\$913,736	1.054	\$216,777	0.250	\$43,355	0.050	\$353,099
22		933,719,052	\$79,909,855	\$15,551,369	1.684	\$2,333,298	0.250	\$66,660	0.050	\$4,187,754
23	I-1	3,031,744	\$239,315	\$41,160	1.358	\$7,579	0.250	\$1,516	0.050	\$13,613
24	I-3	6,764,350	\$576,501	\$134,344	1.986	\$16,912	0.250	\$3,382	0.050	\$30,375
25	Total Interruptible	9,796,694	\$815,817	175,505	1.791	24,492	0.250	4,998	0.050	43,987
26	PR	60,439,745	\$3,984,472	(\$204,661)	-0.339	\$151,098	0.250	\$30,220	0.050	\$271,374
27	Total Non-Contracts	3,192,676,044	321,526,536	100,809,413	3.157	7,982,195	0.250	1,596,438	0.050	14,847,446
28	Contracts	495,347,889	33,150,139	(\$81,912)	-0.164	1,238,370	0.250	247,674	0.050	2,224,112
29	Total WMECO	3,686,225,933	354,676,675	99,998,501	2.711	9,220,565	0.250	1,844,113	0.050	17,071,558
										0.463
										5,606
										206,763,849
										5,600
										18,434,590
										0.500
										353,333,175
										9,580
										-0.4%

Exhibit MJM-3

Western Massachusetts Electric Company
Summary of Transition Charge

Year	Retail Estimate of WMECO mWh Sales	Fixed Component			Variable Component			Total \$ in Thousands	Transition Charge cents per kWh	Base Transition Charge cents per kWh	Base Transition Charge Allowed cents per kWh	Transition Cost (Under)/Over Recovery cents per kWh	Transition Cost (Under)/Over Recovery \$ (000)
		Col. C	Col. D	Col. E	Col. F	Col. G	Col. H						
1998	*	3,156,242	38,250	1,212	74,012	2,345	112,261	3,557	3,401	(0,156)	(4,916)		
1999	3,831,047	57,101	1,490	61,089	1,595	118,190	3,085	2,962	2,962	(0,123)	(4,716)		
2000	3,811,505	35,113	0,921	22,394	0,588	57,508	1,509	1,598	1,598	0,089	3,400		
2001	3,831,214	18,767	0,490	1,927	0,050	20,694	0,540	0,527	0,527	0,013	(500)		
2002	3,904,017	18,167	0,465	9,362	0,240	27,529	0,705	1,343	1,343	0,638	24,897		
2003	4,003,736	17,316	0,432	12,729	0,318	30,044	0,750	1,414	1,414	0,664	26,574		
2004	4,068,546	20,423	0,502	16,830	0,414	37,253	0,916	0,825	0,825	0,091	(3,708)		
2005	4,127,288	26,426	0,640	9,705	0,235	36,131	0,875	0,490	0,490	0,385	(15,892)		
2006	3,941,600	26,747	0,679	15,996	0,406	42,744	1,084						
2007	3,964,500	28,808	0,727	11,104	0,280	39,913	1,007						
2008	4,003,200	28,876	0,721	6,738	0,168	35,614	0,890						
2009	4,018,700	29,042	0,723	3,933	0,098	32,974	0,821						
2010	4,043,100	19,365	0,479	4,438	0,110	23,803	0,589						
2011	4,067,300	18,100	0,445	2,871	0,071	20,972	0,516						
2012	4,106,300	18,807	0,458	2,347	0,057	21,154	0,515						
2013	**	8,145	0,489	667	0,040	8,811	0,529						

(Under)/over- recovery per Col. K	25,139
Fuel Charge Credit to Ratepayers	226
Inflation Adjustment per Settlement Agreement	5,778
Deferred Fuel per Settlement Agreement	(4,173)
Per AG Settlement in DTE 02-20	7,400
Carrying Costs 1998-2004	7,347
Cumulative overrecovery @ 12/31/05	41,717
Application of cumulative principle over recovery @ 12/31/02	(7,080)
Net (under)/over recovery Before Carrying Charges	34,627
Carrying Charge on Net Under-recovery 1/1/05 - 12/31/05	2,817
Net (under)/over recovery including Carrying Charges	37,444

*1998 is based on 10 months
**2013 is based on 4 months 17 days

Legend:

Col. C	Page 2, Col. H
Col. D	Col. C / Col. B
Col. E	Page 3, Col. Q
Col. F	Col. E / Col. B
Col. G	Col. C + Col. E
Col. H	Col. G / Col. B
Col. I	Exhibit MJM-1
Col. J	Col. I - Col. H
Col. K	Col. J * Col. B

NOTE: Numbers may not add due to rounding on this Schedule.

Western Massachusetts Electric Company
Summary of Transition Charges
Fixed Component
\$ in Thousands

Year Col. A	Pre-Tax Return on Generation Related Investment and Regulatory Assets Col. B (1)	Return on FAS 106 Col. B (2)	Amortization of Generation Related Investment and Regulatory Assets Col. C		Securitization RRB Bond Payment Col. D (1)	Over Securitization Credit Col. D (2)	Base Total Fixed Component Col. E	Mitigation Incentive - Plant Divestitures Col. F	Carrying Charge on Working Capital Col. G	Total Fixed Component Col. H
3/1/98-12/31/98 *	11,206	503	26,541	-	-	38,250	-	-	38,250	
1999	27,467	538	29,009	-	-	57,014	88	-	-	57,101
2000	12,154	461	21,475	-	-	34,089	1,024	-	-	35,113
2001	(8,404)	445	15,322	9,964	-	17,326	1,231	210	18,767	
2002	(15,574)	399	12,491	19,348	-	16,664	1,166	337	18,167	
2003	(14,987)	347	11,476	19,068	-	15,904	1,075	337	17,316	
2004	(11,802)	295	11,472	19,139	-	19,104	983	337	20,423	
2005	(6,594)	243	11,467	19,083	-	25,199	889	337	26,426	
2006	(5,192)	191	11,399	19,171	-	25,569	841	337	26,747	
2007	(3,066)	139	11,399	19,169	-	27,641	830	337	28,808	
2008	(2,794)	87	11,399	19,173	-	27,865	673	337	28,876	
2009	(2,485)	35	11,399	19,158	-	28,106	598	337	29,042	
2010	(2,025)	-	1,895	19,158	-	19,028	-	337	19,365	
2011	(1,388)	-	-	19,151	-	17,763	-	337	18,100	
2012	(684)	-	-	19,154	-	18,470	-	337	18,807	
2013 **	(60)	-	-	8,079	-	8,019	-	126	8,145	

*1998 is based on 10 months
** 2013 is based on 4 months 17 days

Legend:

- Col. B (1) Page 12, Col. F (4)
- Col. B (2) Page 12C, Col. D
- Col. D (1) Principle and interest associated with Securitization Balance on Page 13
- Col. D (2) Per Settlement in D.T.E. 00-40
- Col. E Col. B (1) + Col. B (2) + Col C + Col D (1) + Col. D (2)
- Col. F Page 4
- Col. G Per D.T.E. 00-40 amount based on 42 day lag

Western Massachusetts Electric Company
Summary of Transition Charge
Variable Component
\$ In Thousands

Year End	Nuclear Decommissioning Obligation	Power Contracts Assumed		PPA Incentive Future Power Contract Future		SOS and Default service Under (Over) Recovery		Payment in Lieu of Property Taxes		Unavoidable Nuclear Costs		Lost Revenues/ Generation Operating Costs		Post-Shutdown/ Predecommissioning Costs		MP1 Material & Supplies Col. P		Base Variable Component Col. Q	
		Power Total	Above Market Value Payments	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L	Col. M	Col. N	Col. O	Col. P	Col. Q	
3/1/98-12/31/98*	8,148	39,190	16,873	22,316	-	-	-	-	-	-	-	-	-	36,061	8,287	199	74,012		
1999	9,708	42,861	17,471	25,380	5,718	56	140	-	-	-	-	-	-	14,331	13,246	239	61,089		
2000	9,381	41,214	35,496	-	-	-	-	-	-	-	-	-	-	-	-	-	9,754	22,394	
2001	4,144	24,487	17,105	7,393	151	-	-	-	-	-	-	-	-	(12,949)	(449)	3,128	60	1,927	
2002	2,412	13,040	7,293	5,747	200	-	-	-	-	-	-	-	-	-	-	-	821	9,362	
2003	2,358	15,691	9,045	6,646	269	-	-	-	-	-	-	-	-	-	-	-	532	12,729	
2004	2,407	16,534	7,701	8,833	361	4	557	3	2,924	-	-	-	-	-	-	-	397	16,530	
2005	9,027	15,595	11,710	3,885	540	4	(2,228)	5	5,398	-	-	-	-	-	-	-	-	9,705	
2006	3,449	13,467	5,354	8,103	-	-	-	-	-	-	-	-	-	-	-	-	-	15,996	
2007	2,271	13,709	5,215	8,494	340	-	-	-	-	-	-	-	-	-	-	-	-	11,104	
2008	911	10,958	5,215	5,744	84	-	-	-	-	-	-	-	-	-	-	-	6,738	3,933	
2009	-	9,500	5,215	4,285	(352)	-	-	-	-	-	-	-	-	-	-	-	-	4,438	
2010	-	9,964	5,215	4,749	(311)	-	-	-	-	-	-	-	-	-	-	-	-	2,871	
2011	-	6,302	3,138	3,164	(293)	-	-	-	-	-	-	-	-	-	-	-	-	2,347	
2012	-	3,380	764	2,626	(279)	-	-	-	-	-	-	-	-	-	-	-	-	667	
2013 **	-	-	818	818	(151)	-	-	-	-	-	-	-	-	-	-	-	-	-	

*1998 is based on 10 months
** 2013 is based on 4 months 17 days

Legend:

- Col. B Page 8, Col. G
- Col. C Page 9, Col. P
- Col. D Page 9, Col. H + Col. K + Col. M
- Col. E Col. C - Col. D
- Col. F Page 4C, Col. H + Page 4E, Col. D
- Col. G FAS 87 and 106 Adjustments per D.T.E. 97-120
- Col. H Results from Performance Based Ratemaking Program (PBR) per D.T.E. 97-120
- Col. I Page 7, Col. H
- Col. J Page 7, Col. H
- Col. K Page 3A
- Col. L Reflects the MP1 post shutdown/pre-decommissioning costs for the period 7/24/98-12/31/99

① FAS 106 curtailment credit corrected per DTE 00-33 IR AG-2-6

Adjustment in 2000 and 2001 to correct Northfield Station FAS 87 curtailment ownership allocation per D.T.E. 02-20, Prefiled Testimony of Jeffrey Cahoon Page 8
To true up allocation of Northfield Cabot FAS 87 curtailment based on ownership %'s as presented in response to Docket DTE 02-20, AG-02-005.

② Adjustment in 1999 for additional curtailment credit for one employee per D.T.E. 00-33 Order Page 13

③ 2002 Default Service overcollection refund, (\$460)K, plus 2003 Standard Offer Service undercollection, \$5,531K, plus 2003 Default Service undercollection, \$318K

④ PSNF interest savings sharing: 2004 = one quarter (10/1 - 12/31/04), 2005 = full year.

⑤ 2004 Default Service overcollection refund
2004-Jan-Feb 2005 (14 mos) Std Offer Service overcollection
Total (562) (959) (1,518)

⑥ 2005 Default Service undercollection recovery
2005 Default Service Revenue shortfall adjustment
Total 4,055 117 4,172

see Exhibit M.M-5
025

Western Massachusetts Electric Company
1998 and 1999 Lost Revenues/Generation Operating Costs
(000's)

	Mar-Dec	Jan-Dec
	1998	1999
	Total	Total
Bulk Revenues		
Energy	\$ (2,664) (2)	\$ 3,616
Capacity	<u>12,506</u> (2)	<u>27,099</u>
Total Bulk Revenues	<u>9,842</u>	<u>30,715</u>
 Electric Miscellaneous	 <u>3,637</u>	 <u>4,161</u>
 Subtotal Revenues	 13,479	 34,876
 Production Operation Expenses:		
Fuel:		
Fossil	6,930	3,584
Nuclear	4,996	10,406
Interchange Power	16,737	24,870
Purchased Power, Energy	62,715	66,887
Purchased Power, Capacity	(1,863)	(4,016)
Fossil Steam, Other	1,911	1,301
Nuclear Steam, Other	26,773	26,561
Internal Combustion, Other	83	68
Hydro	2,725	2,295
Load Dispatch & Other Expense	(523)	802
 Production Maintenance Expense:		
Fossil Steam, Other	1,650	682
Nuclear Steam, Other	28,570	26,260
Internal Combustion, Other	5	59
Hydro	2,386	2,115
 Administrative and General Expenses	10,078 (3)	10,082 (3)
Property Taxes	5,336	6,132
Return On/Of Post 1995 Capital Additions	<u>643</u> (1)	<u>1,448</u> (1)
 Subtotal Expenses	169,152	179,536
 Subtotal Revenues less Expenses	155,673	144,660
 Less: Standard Offer Revenues	88,375	118,762
Less: Millstone Replacement Power Costs	21,300	5,600
Less: Millstone Restart Costs	7,462	714
Less: Madison/Other Costs	3,008	4,704
Less: Madison/Other Net Revenue	467 (4)	549 (4)
Total Lost Revenues/Generation Operating Costs	<u>\$ 35,061</u>	<u>\$ 14,331</u>

(1) Return on adjusted per DTE 00-33 Order based on IR AG 1-35,3-8

(2) Bulk Revenue adjusted per DTE 00-33 HD 02 DTE 13

(3) Bulk Revenue adjusted per D.T.E. 00-33 transcript (Tr. 1 p. 13)

(4) Adjustment for net revenues per D.T.E. 00-33 Order Page 37

Western Massachusetts Electric Company
Mitigation Incentive
Fossil-Fueled Units Sale 7/99

	1998	1/6/1999	7/12/1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Book Basis @ 3/1/98	15,410													
Tax Basis @ 3/1/98		12,511												
Excess Book vs. Tax		2,899												
Combined Federal and State Tax Rate		39.2250%												
Deferred Taxes on Basis Difference		1,137												
FAS 109		1,749												
FAS 109 Gross Up		(815)												
Deferred Taxes on Basis Difference		203												
Beginning Plant Balance	15,410	13,739	12,821	11,903	10,446	8,988	7,531	6,073	4,616	3,158	1,701	243	0	0
Required Amortization	1,671	918	918	1,457	1,457	1,457	1,457	1,457	1,457	1,457	1,457	243	0	0
Ending Plant Balance	13,739	12,821	11,903	10,446	8,988	7,531	6,073	4,616	3,158	1,701	243	0	0	0
Beginning Accum. Deferred Tax Balance	203	(148)	(185)	(223)	(195)	(168)	(141)	(114)	(86)	(59)	(32)	(5)	0	0
Deferred Tax Provision	351	37	37	(27)	(27)	(27)	(27)	(27)	(27)	(27)	(27)	(5)	0	0
Ending Accum. Deferred Tax Balance	(148)	(185)	(223)	(195)	(168)	(141)	(114)	(86)	(59)	(32)	(5)	(0)	0	0
Beginning Plant (Net of Deferred Taxes)	15,207	13,887	13,006	12,126	10,641	9,156	7,672	6,187	4,702	3,217	1,733	248	0	0
Ending Plant (Net of Deferred Taxes)	13,887	13,006	12,126	10,641	9,156	7,672	6,187	4,702	3,217	1,733	248	0	0	0
Average Plant	14,547	13,447	12,566	11,383	9,899	8,414	6,929	5,444	3,960	2,475	990	124	0	0
Return 03/01/98 - 12/31/98	12.11%	1,468												
Return 01/01/99 - 12/31/99	12.61%		848	792										
Return 01/01/00 - 12/31/00	13.47%				1,533									
Return 01/01/01 - 12/31/01	15.00%					1,485								
Return 01/01/02 - 12/31/02	15.05%						1,266							
Return 01/01/03 - 12/31/03	14.15%							981						
Return 01/01/04 - 9/30/04	13.11%								535					
Return 10/1/04 - 12/31/04	12.08%								164					
Return 01/01/05 - 12/31/05	10.87%									430				
Return 01/01/05 - 12/31/06	10.87%										269			
Return 01/01/05 - 12/31/07	10.87%											108		
Return 01/01/05 - 12/31/08	10.87%												13	
Return 01/01/05 - 12/31/09	10.87%												0	
Return 01/01/05 - 12/31/10	10.87%												0	
Return on Investment (1)		1,468	848	792	1,533	1,485	1,266	981	700	430	269	108	13	-
Return of Investment		1,671	918	918	1,457	1,457	1,457	1,457	1,457	1,457	1,457	243	0	0
Return on Investment		1,468	848	792	1,533	1,485	1,266	981	700	430	269	108	13	0
Total Investment		3,139	1,766	1,710	2,991	2,943	2,723	2,438	2,157	1,888	1,726	1,565	257	0
Recovery of book value of assets sold			1,710	2,991	2,943	2,723	2,438	2,157	1,888	1,726	1,565	257	0	0
Sale of Generating Assets														
Sales Proceeds		49,396												
Less: Unrecovered Capital Additions		199												
Other Reductions		5,569	(2)											
After Tax Net Proceeds		43,628												
Net Proceeds		43,628												
Depreciation for Capital Additions														
Offset for Inflation Deferral		5,778												
Total Net Proceeds		37,850												
Beginning Proceeds Amount		37,850	35,666	31,299	26,932	22,565	18,198	13,831	9,464	5,096	729	0	0	0
Required Amortization		2,184	4,367	4,367	4,367	4,367	4,367	4,367	4,367	4,367	729	-	-	-
Ending Proceeds Amount		35,666	31,299	26,932	22,565	18,198	13,831	9,464	5,096	729	0	0	0	0
Beginning Taxes		9,783	9,219	8,090	6,961	5,832	4,704	3,575	2,446	1,317	189	-	-	-
Required Amortization		564	1,129	1,129	1,129	1,129	1,129	1,129	1,129	1,129	189	-	-	-
Ending Taxes		9,219	8,090	6,961	5,832	4,704	3,575	2,446	1,317	189	-	-	-	-
Beginning Proceeds		28,067	26,448	23,209	19,971	16,733	13,494	10,256	7,018	3,779	541	0	0	0
Ending Proceeds		26,448	23,209	19,971	16,733	13,494	10,256	7,018	3,779	541	0	0	0	0
Average Proceeds		27,257	24,829	21,590	18,352	15,113	11,875	8,637	5,398	2,160	270	0	0	0
Return 03/01/98 - 12/31/98	12.11%													
Return 01/01/99 - 12/31/99	12.61%		1,719											
Return 01/01/00 - 12/31/00	13.47%			3,344										
Return 01/01/01 - 12/31/01	15.00%				3,239									
Return 01/01/02 - 12/31/02	15.05%					2,761								
Return 01/01/03 - 12/31/03	14.15%						2,139							
Return 01/01/04 - 9/30/04	13.11%							1,168						
Return 10/1/04 - 12/31/04	12.08%							359						
Return 01/01/05 - 12/31/05	10.87%								939					
Return 01/01/05 - 12/31/06	10.87%									587				
Return 01/01/05 - 12/31/07	10.87%										235			
Return 01/01/05 - 12/31/08	10.87%											29		
Return 01/01/05 - 12/31/09	10.87%											0		
Return 01/01/05 - 12/31/10	10.87%											0		
Carrying Charges on Proceeds (1)			1,719	3,344	3,239	2,761	2,139	1,526	939	587	235	29	-	-
Return Of Proceeds			2,184	4,367	4,367	4,367	4,367	4,367	4,367	4,367	729	-	-	-
Carrying Charges On Proceeds			1,719	3,344	3,239	2,761	2,139	1,526	939	587	235	29	-	-
Total Mitigation			3,902	7,711	7,607	7,128	6,506	5,894	5,306	4,954	4,602	759	-	-
Recovery of book value of assets sold			1,710	2,991	2,943	2,723	2,438	2,157	1,888	1,726	1,585	257	-	-
Net Incremental Gain on Sale			2,192	4,720	4,664	4,405	4,068	3,736	3,418	3,227	3,037	502	-	-
Mitigation Incentive @	4%		88	189	187	176	163	149	137	129	121	20	-	-
Mitigation Incentive Fossil/Hydro			88	189	187	176	163	149	137	129	121	20	-	-
Mitigation Incentive Northfield Mountain			835	1,044	990	912	833	752	712	708	653	598	-	-
Total Non-nuclear mitigation incentive			88	1,024	1,231	1,166	1,075	983	889	841	830	673	598	-

Western Massachusetts Electric Company
Mitigation Incentive
Northfield Mountain and Cabot and Turner Falls Sale 3/2000

	1998	1999	03/13/2000	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Book Basis @ 3/1/98	42,186													
Tax Basis @ 3/1/98		16,040												
Excess Book vs. Tax			26,146											
Combined Federal and State Tax Rate		39.2250%												
		10,256												
FAS 109		6,226												
FAS 109 Gross Up		(2,232)												
Deferred Taxes on Basis Difference		6,262												
Beginning Plant Balance	42,186	41,301	40,150	39,920	36,651	32,579	28,506	24,434	20,362	16,289	12,217	8,145	4,072	(0)
Required Amortization	885	1,151	230	3,269	4,072	4,072	4,072	4,072	4,072	4,072	4,072	4,072	4,072	0
Ending Plant Balance	41,301	40,150	39,920	36,651	32,579	28,506	24,434	20,362	16,289	12,217	8,145	4,072	(0)	(0)
Beginning Accum. Deferred Tax Balance	6,262	6,619	6,857	6,932	6,171	5,485	4,800	4,114	3,428	2,743	2,057	1,371	686	0
Deferred Tax Provision	(357)	(238)	(75)	761	686	686	686	686	686	686	686	686	686	0
Ending Accum. Deferred Tax Balance	6,619	6,857	6,932	6,171	5,485	4,800	4,114	3,428	2,743	2,057	1,371	686	0	0
Beginning Plant (Net of Deferred Taxes)	35,924	34,682	33,293	32,988	30,480	27,093	23,707	20,320	16,933	13,547	10,160	6,773	3,387	(0)
Ending Plant (Net of Deferred Taxes)	34,682	33,293	32,988	30,480	27,093	23,707	20,320	16,933	13,547	10,160	6,773	3,387	(0)	(0)
Average Plant	35,303	33,988	33,141	31,734	28,787	25,400	22,013	18,627	15,240	11,853	8,467	5,080	1,693	(0)
Return 03/01/98 - 12/31/98	12.11%	3,562												
Return 01/01/99 - 12/31/99	12.61%		4,287											
Return 01/01/00 - 12/31/00	13.47%			890	3,421									
Return 01/01/01 - 12/31/01	15.00%					4,319								
Return 01/01/02 - 12/31/02	15.05%						3,822							
Return 01/01/03 - 12/31/03	14.15%							3,116						
Return 01/01/04 - 9/30/04	13.11%								1,832					
Return 10/1/04 - 12/31/04	12.08%								562					
Return 01/01/05 - 12/31/05	10.87%									1,656				
Return 01/01/05 - 12/31/06	10.87%										1,288			
Return 01/01/05 - 12/31/07	10.87%											0		
Return 01/01/05 - 12/31/08	10.87%											0		
Return 01/01/05 - 12/31/09	10.87%											0		
Return 01/01/05 - 12/31/10	10.87%													
Return on Investment (1)		3,562	4,287	890	3,421	4,319	3,822	3,116	2,394	1,656	1,288	0	0	0
Return of Investment		885	1,151	230	3,269	4,072	4,072	4,072	4,072	4,072	4,072	4,072	4,072	0
Return on Investment		3,562	4,287	890	3,421	4,319	3,822	3,116	2,394	1,656	1,288	0	0	0
Total Investment		4,447	5,438	1,120	6,690	8,391	7,894	7,188	6,467	5,729	5,361	4,072	4,072	0
Recovery of book value of assets sold					6,690	8,391	7,894	7,188	6,467	5,729	5,361	4,072	4,072	0
Sale of Generating Assets														
Sales Proceeds		186,073												
Less: Unrecovered Capital Additions		3,008												
Other Reductions		3,267												
Net Proceeds		179,798												
Net Proceeds		179,798												
Depreciation for Capital Additions														
Total Net Proceeds Before Tax on Gain		179,798												
Beginning Proceeds Amount		179,798												
Required Amortization														
Ending Proceeds Amount		165,074	146,733	128,391	110,049	91,708	73,366	55,024	36,683	18,341	0	-	-	0
Beginning Accumulated Deferred Tax Balance		55,634	51,078	45,403	39,727	34,052	28,377	22,701	17,026	11,351	5,675	(0)	-	-
Deferred Tax Provision		4,556	5,675	5,675	5,675	5,675	5,675	5,675	5,675	5,675	5,675	-	-	-
Ending Accumulated Deferred Tax Balance		51,078	45,403	39,727	34,052	28,377	22,701	17,026	11,351	5,675	(0)	-	-	-
Beginning Proceeds		124,164	113,996	101,330	88,663	75,997	63,331	50,665	37,998	25,332	12,666	0	-	-
Ending Proceeds		113,996	101,330	88,663	75,997	63,331	50,665	37,998	25,332	12,666	0	-	-	-
Average Proceeds		119,080	107,663	94,997	82,330	69,664	56,998	44,331	31,665	18,999	6,333	-	-	-
Return 03/01/98 - 12/31/98	12.11%													
Return 01/01/99 - 12/31/99	12.61%													
Return 01/01/00 - 12/31/00	13.47%				12,838									
Return 01/01/01 - 12/31/01	15.00%					16,154								
Return 01/01/02 - 12/31/02	15.05%						14,293							
Return 01/01/03 - 12/31/03	14.15%							11,654						
Return 01/01/04 - 9/30/04	13.11%								6,851					
Return 10/1/04 - 12/31/04	12.08%								2,104					
Return 01/01/05 - 12/31/05	10.87%									6,195				
Return 01/01/05 - 12/31/06	10.87%										4,818			
Return 01/01/05 - 12/31/07	10.87%											3,442		
Return 01/01/05 - 12/31/08	10.87%												2,065	
Return 01/01/05 - 12/31/09	10.87%													688
Return 01/01/05 - 12/31/10	10.87%													-
Carrying Charges on Proceeds (1)					12,838	16,154	14,293	11,654	8,954	6,195	4,818	3,442	2,065	688
Return of Proceeds					14,724	18,342	18,342	18,342	18,342	18,342	18,342	18,342	18,341	-
Carrying Charges on Proceeds					12,838	16,154	14,293	11,654	8,954	6,195	4,818	3,442	2,065	688
Total Proceeds and Carrying Charges					27,562	34,495	32,635	29,995	27,296	24,536	23,160	21,783	20,407	19,029
Total Mitigation					27,562	34,495	32,635	29,995	27,296	24,536	23,160	21,783	20,407	19,029
Recovery of book value of assets sold					6,690	8,391	7,894	7,188	6,467	5,729	5,361	4,072	4,072	-
Net Incremental Gain on Sale					20,872	26,104	24,741	22,807	20,829	18,808	17,799	17,711	16,334	14,957
Mitigation Incentive @	4%				835	1,044	990	912	833	752	712	708	653	598

Western Massachusetts Electric Company
Net Proceeds Calculation
\$ in Thousands

	Fossil / Hydro	Northfield Mtn Cabot / Turners Falls
Base Purchase Price	\$ 47,000	\$ 184,150
Additions to Purchase Price:		
Pre-Approved Capital Expenditures	621	337
Fuel Inventory	861	-
Materials/Supplies Inventory	748	1,532
O&M Expenses incurred at CEEMI request	21	-
Vehicle Lease Buyouts	135	-
Surveys		19
Title Commitments	10	-
Northfield Mountain Adder	-	35
Total Additions	2,396	1,923
Total Adjusted Purchase Price	49,396	186,073
Reductions to Purchase Price:		
Pre-Approved Capital Expenditures	(871)	(337)
Fuel Inventory	(861)	-
Materials/Supplies Inventory	(748)	(1,532)
Transaction Costs	(2,182)	(1,266)
Post 12/31/95 Capital Additions	(198)	(3,008)
Environmental Remediation Costs	(500)	-
Accrued Vacation		(97)
Pension Obligation	(106)	-
Tariff T-9 Charges	- (2)	-
Dwight Penstock No.2	(225)	-
Pro-rated items	(31)	-
Reimbursements	(35) (1)	-
Vehicle Lease Buyouts	-	-
Northfield Mountain Adder	-	(35)
Sick Pay Adjustments	(10)	-
Total Reductions	(5,767)	(6,275)
Subtotal Net Proceeds	43,629	179,798
Less: Inflation Deferral	5,778	-
Subtotal Net Proceeds	\$ 37,851	\$ 179,798
Less: Net Book Plant	(12,822)	(39,744)
Net Proceeds	\$ 25,029	\$ 140,054

(1) FAS 106 curtailment credit corrected per DTE 00-33 IR AG 2-6

(2) Adjustment for disallowance of T-9 Tariff charges per D.T.E. 00-33 Order Page 30

**Western Massachusetts Electric Company
Power Contracts - Incentive Mechanism
\$ in Thousands**

REDACTED

Masspower Col. A1	Springfield Col. A2	Total Obligation Col. A	Assumed Masspower Mkt. Value Col. B1	Assumed Springfield Mkt. Value Col. B2	Total Market Value Col. B	Total Assumed Market Excess Value Col. C1	Total Assumed Excess Value Col. C2	Total Over-Mkt. Over-Mkt. Value Col. C	Masspower Over-Mkt. Over-Mkt. Value Col. D1	Springfield Over-Mkt. Over-Mkt. Value Col. D2	Total Over-Mkt. Over-Mkt. Value Col. D	Masspower Springfield Total Actual Actual Actual Excess Excess Excess Over-Mkt. Over-Mkt. Over-Mkt.		Masspower Springfield Total Mitigation Mitigation Mitigation Over-Mkt. Over-Mkt. Over-Mkt.	Total Mitigation Over-Mkt. Col. E2	Total Mitigation Over-Mkt. Col. E	Mortgage Payment on Buyout/Buydown Payments Col. F	Net Mitigation Col. G	Mitigation Incentive (4%) Col. H
												Total Assumed Market Excess Value Col. C1	Total Assumed Excess Value Col. C2	Total Over-Mkt. Over-Mkt. Value Col. C					

WMECO
Nuclear Divestiture Proceeds

Exhibit MJM-3
2005 Reconciliation
DTE 06-35
Page 4D of 13

	MP1	MP2	MP3	Total
Initial Facilities Purchase Price				
Facilities Purchase Price, including Materials and Supplies	\$ 190	\$ 76,285	\$ 103,503	\$ 179,978
Fuel Purchase Price	-	7,961	8,222	16,183
Total Initial Facilities and Fuel Purchase Price	<u>190</u>	<u>84,246</u>	<u>111,725</u>	<u>196,161</u>
Adjustments to Initial Purchase Price				
PSA - Section 2.6 (a)				
Required Nuclear Expenditure	-	-	-	-
Pre-Approved Capital Expenditure	-	(936)	(525)	(1,460)
Major Loss Adjustment	-	-	-	-
Book Value of M&S Inventories	-	584	223	807
Accrued/Unpaid Obligations	-	-	-	-
Proposed Improvements	-	4	-	4
PSA - Section 2.6 (b)				
Book Value of Nuclear Fuel	-	711	47	758
Total Adjustments to Initial Purchase Price	<u>-</u>	<u>363</u>	<u>(255)</u>	<u>108</u>
Initial Purchase Price, Net of Adjustment	190	84,609	111,470	196,269
Reductions to Net Purchase Price				
Transaction Costs	-	2,135	2,806	4,941
NNECO Reimbursement	-	6,681	2,012	8,693
Fuel Inventory	-	8,672	8,270	16,942
Materials and Supplies Inventory	-	-	4,873	4,873
Niantic Bay Fuel Trust Buyout	-	1,375	1,311	2,686
NBFT Interest	1,798	-	-	1,798
Capital Lease Buyout Payment	-	274	-	274
Millstone Plant Assets	-	-	-	-
Post 12/31/95 Capital Addition	-	21,339	7,173	28,512
Depreciation of Post 1995 Cap Adds (PBR in years 2000-2001, Generation)	-	(695)	(914)	(1,609)
Operating Costs for 1998 and 1999	-	-	-	-
Final M&S Credit	(54)	(245)	(322)	(622)
Retirement Program Costs	<u>1,592</u>	<u>1,248</u>	<u>805</u>	<u>3,645</u>
Subtotal	<u>3,335</u>	<u>40,784</u>	<u>26,014</u>	<u>70,133</u>
Net Proceeds Before Decommissioning	(3,145)	43,825	85,456	126,136
Decommissioning:				
Cold and Dark Expenses	1,985	-	-	1,985
Decommissioning Top-Off	178	10,432	4,563	15,173
Unrecovered MP1 Decommissioning Expense	7,455	-	-	7,455
Total Decommissioning	<u>9,618</u>	<u>10,432</u>	<u>4,563</u>	<u>24,613</u>
Net Proceeds Available for Stranded Cost Mitigation	<u>\$ (12,764)</u>	<u>\$ 33,393</u>	<u>\$ 80,893</u>	<u>\$ 101,523</u>

Western Massachusetts Electric Company
Vermont Yankee Sale to Entergy - Incentive Mechanism
\$ in Thousands

Exhibit MJM-3
 2005 Reconciliation
 DTE 06-35
 Page 4E of 13

Year	VY End of Life Forecast (a)	Amendatory Agreement (b)		Savings Before Variable Mitigation		Mitigation Incentive 4% (c)
		Col. A	Col. B	Col. C	Incentive	
2002	\$ 795	\$ 207	\$ 588	\$ 24		
2003	581	(907)	1,488	60		
2004	1,856	(767)	2,623	105		
2005	1,814	(3,546)	5,360	214		
2006	635	93	542	22		
2007	1,552	(31)	1,583	63		
2008	1,540	(111)	1,651	66		
2009	495	(231)	726	29		
2010	1,497	(259)	1,756	70		
2011	1,084	(389)	1,473	59		
2012	1,673	(134)	1,807	72		
Total	\$ 13,522	\$ (6,075)	\$ 19,597	\$ 784		

Notes:

- (a) Nominal value of projected over/(under) market costs under the continuing operations scenario, per Exhibit RAS-1, line 19, DTE 01-99. 2002 represents 6 months of the projected overmarket for 2002, consistent with the Amendatory Agreement start date of July 1, 2002.
- (b) Nominal value of projected over/(under) market costs under the Amendatory Agreement, per Exhibit RAS-2, line 19, DTE 01-99. 2002 represents actual overmarket costs for the period July 1, 2002 through December 31, 2002, under the Amendatory Agreement.
- (c) 4% of Savings Before Variable Mitigation Incentive per methodology approved in Docket DTE 97-120.

Western Massachusetts Electric Company
Unrecovered Plant Balances
\$ in Thousands

Source	<u>3/1/98</u>	<u>07/24/1998</u>
Col. A	Col. B	Col. C
Fossil Fuel Units:		
West Springfield Station	\$11,672	
Doreen (Jet)	23	
Woodland Road (Jet)	26	
Hydroelectric Units:		
Northfield Mountain	12,970	
Gardner Falls	862	
Cabot/Turner Falls	29,216	
Cobble Mountain	-	
Indian Orchard	991	
Putts Bridge	248	
Red Bridge	1,089	
Dwight	499	
Fossil Hydro Subtotal	57,596	
Nuclear Units:		
Millstone Unit #1	47,937	41,513
Millstone Unit #2	101,267	103,261
Millstone Unit #3	262,965	258,615
Nuclear Subtotal	412,169	403,389
Total	<u>\$469,765</u>	

Western Massachusetts Electric Company
Generation-Related Regulatory Asset Summary
\$ In Thousands

	3/1/98 Balance	12/31/98 Balance	12/31/99 Balance	12/31/2000 Balance	12/31/2001 Balance	12/31/2002 Balance	12/31/2003 Balance	01/01/2004 Balance	12/31/2004 Balance	1/1/05-12/31/05 Amortization	12/31/2005 Balance
Regulatory Assets Earning a Return:											
DOE D&D	4,129	3,842	3,498	3,154	0	0	0	0	0	(0)	0
Deferred Nuclear Outage	-	-	-	-	-	-	-	-	-	-	-
Non MP3 Debt AFUDC	273	254	231	209	(0)	(0)	(0)	(0)	(0)	0	(0)
ITC Pre 1971	(115)	(109)	(102)	(92)	(0)	(0)	(0)	(0)	(0)	0	(0)
Total Reg. Assets Earning a Return	4,287	3,987	3,627	3,270	0	0	0	0	0	(0)	0
Regulatory Assets Not Earning a Return:											
DOE D&D	7,172	6,674	6,076	5,479	4,881	4,233	3,686	3,088	(598)	2,490	
DOE D&D (Actual vs Estimated True-up)	4,347	3,140	1,691	242	(0)	(0)	(0)	(0)	(68)	(1)	(0)
Deferred Nuclear Outage	-	-	-	-	-	-	-	-	-	-	-
FAS 109	50,595	47,081	42,865	38,649	38,362	33,664	28,966	24,268	(4,698)	19,570	
FAS 106	8,061	7,501	6,829	6,158	5,486	4,814	4,143	4,143	(672)	2,799	
ITC Post 1971	(16,413)	(15,543)	(14,543)	(13,507)	-	-	-	-	-	-	-
ITC Post 1971 - Fossil / Hydro	(1,306)	(1,237)	(834)	-	-	-	-	-	-	-	-
ITC Post 1971	(17,719)	(16,780)	(15,377)	(13,507)	-	-	-	-	-	-	-
Unrecovered Prior Spent Nuclear Fuel	2,353	2,190	1,994	1,797	1,601	1,405	1,209	1,013	(196)	817	
Total Reg. Assets not Earning a Return	54,809	49,806	44,078	38,817	50,330	44,167	38,003	38,004	31,840	(6,232)	25,676
Totals	59,096	53,793	47,706	42,088	50,330	44,167	38,003	38,004	31,840	(6,232)	25,676

Note: (1) This amount represents the true-up between the original estimate approved in D.T.E. 97-120 and the actual costs incurred by WMECO.

Western Massachusetts Electric Company
MP1 Regulatory Asset Summary
\$ in Thousands

	07/24/1998	12/31/98	12/31/1999	12/31/2000	12/31/2001	12/31/2002	12/31/2003	12/31/2004	1/1/05-12/31/05	12/31/2005
	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Amortization	Balance
Regulatory Assets:										
MP1 Shutdown	46,122	44,391	40,416	36,440	32,465	28,490	24,514	20,539	(3,975)	16,564
Unrecovered Plant Balance	3,278	3,155	2,872	2,590	2,307	2,025	1,742	1,460	(283)	1,177
Materials & Supplies	11,344	10,918	9,940	8,963	7,985	7,007	6,029	5,052	(978)	4,074
Final Core										
Total MP1 Shutdown	60,744	58,464	53,228	47,993	42,757	37,522	32,286	27,051	(5,236)	21,815

Western Massachusetts Electric Company
FAS 109
\$ in Thousands

<u>ACCOUNT</u>	Balance as of <u>12 / 31 / 97</u>	Balance as of <u>2 / 28 / 98</u>
REGULATORY ASSET:		
182.DK	98,889	98,889
254.DK	(21,390)	(21,390)
	<u>77,499</u> *	<u>77,499</u>
Estimated Generation Percentage (85%)	65,874	65,874
Less: Accelerated Amortization		
182.DJ	<u>13,783</u>	<u>15,279</u>
Estimated FAS 109 Balance - Generation	52,091	50,595

* Ties to data request AG-02-019

Western Massachusetts Electric Company
Unavoidable Nuclear Costs
\$ in Thousands

Year	Unavoidable Operating Costs							Total
	Insurance	Security	Property Tax	NRC Fees	Regulatory Compliance	Interest on Spent Nuclear Fuel		
Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. H
1998	-	-	-	-	-	-	-	-
1999	-	-	-	-	-	-	-	-
2000	(220)	1,280	4,113	1,241	709	2,630	9,754	
2001	(544)	(17)	1,035	473	315	1,866	3,128	
2002	-	-	0	0	0	821	821	
2003	-	-	0	0	0	532	532	
2004	-	-	-	-	-	397	397	
2005	-	-	-	-	-	0	-	
2006	-	-	-	-	-	0	-	
2007	-	-	-	-	-	0	-	
2008	-	-	-	-	-	0	-	
2009	-	-	-	-	-	0	-	
2010	-	-	-	-	-	0	-	
2011	-	-	-	-	-	0	-	
2012	-	-	-	-	-	0	-	
2013 **	-	-	-	-	-	0	-	

** 2013 is based on 4 months 17 days

Western Massachusetts Electric Company
Total Annual Decommissioning Cost
\$ in Thousands

(a)	19.00%	19.00%	12.24%	9.50%	2.50%	3.00%	Total
	MP 1	MP 2	MP 3	CY	VY	MY	
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G
1998 *	2,050	1,465	1,610	1,963	242	818	8,148
1999	2,460	1,758	1,932	2,356	290	912	9,708
2000	2,460	1,758	1,932	2,165	377	689	9,381
2001	615	440	483	1,590	327	689	4,144
2002	-	-	-	1,590	132	689	2,412
2003	-	-	-	1,590	0	767	2,358
2004	-	-	-	1,590	0	816	2,407
2005	-	-	-	8,231	0	795	9,027
2006	-	-	-	2,356	0	1,093	3,449
2007	-	-	-	1,178	0	1,093	2,271
2008	-	-	-	0	0	911	911
2009	-	-	-	0	0	0	0
2010	-	-	-	0	0	0	0
2011	-	-	-	0	0	0	0
2012	-	-	-	0	0	0	0
2013 **	-	-	-	-	-	-	0

*1998 is based on 10 months

** 2013 is based on 4 months 17 days

(a) WMECO ownership percentage of unit.

Western Massachusetts Electric Company
Power Contract Obligations
Annual Obligations in Thousands of Dollars

Col. A	Masspower	Springfield/ Pioneer	Conn. Yankee	Vermont Yankee	Maine Yankee	YAEC	Power Total Obligation	Projected Market Value	Projected Over-market Total	Hydro Quebec	Projected Market Value	Projected Over-market Total	Northfield Revenues	Mountain + Cabot/Turners Falls Expenses	Over-Market Total	Power Total Obligation & Hydro		Projected Over-market Total	Col. P	Col. Q
																Col. L	Col. M	Col. N	Col. O	
3/1/98-12/31/98 *	19,935	4,189	4,417	3,499	1,341	2,810	36,191	16,873	19,317	-	2,999	-	39,190	22,316						
1999	23,650	4,247	2,843	4,408	816	3,408	39,412	21,941	3,439	-	3,439	-	42,851	25,380						
2000	25,714	2,553	2,624	3,628	449	1,665	36,633	23,600	13,032	3,269	7,607	(4,338)	41,214	27,388						
2001	11,388	2,290	2,317	3,736	1,008	-	21,340	12,266	9,073	3,158	4,838	(1,680)	24,497	7,393						
2002	-	2,264	2,688	4,201	882	-	10,035	5,029	5,006	3,005	2,265	-	13,040	5,747						
2003	-	2,191	2,427	4,595	952	2,596	12,761	7,676	5,085	2,930	1,370	1,561	15,691	6,646						
2004	-	2,191	2,630	4,193	911	3,866	13,792	7,280	6,512	2,742	421	2,321	16,534	8,833						
2005	-	2,030	2,981	4,015	1,021	3,581	13,628	10,741	2,888	1,967	970	-	15,595	3,885						
2006	-	2,793	2,730	4,139	829	-	10,491	5,354	5,137	2,966	-	2,966	13,457	8,103						
2007	-	2,793	2,894	4,634	758	-	11,079	5,215	5,864	2,630	-	2,630	13,709	8,494						
2008	-	2,793	-	4,859	759	-	8,411	5,215	3,195	2,548	-	2,548	10,959	5,744						
2009	-	2,793	-	4,238	-	-	7,031	5,215	1,816	2,469	-	2,469	9,500	4,285						
2010	-	2,793	-	4,778	-	-	7,571	5,215	2,356	2,393	-	2,393	9,964	4,749						
2011	-	-	-	3,983	-	-	3,983	3,138	845	2,319	-	2,319	6,302	3,164						
2012	-	-	-	1,142	-	-	1,142	764	378	2,248	-	2,248	3,390	2,626						
2013 **	-	-	-	-	-	-	-	-	-	818	-	818	-	818						

*1998 is based on 10 months

** 2013 is based on 4 months 17 days

Legend:

Col. G Sum Col. A thru Col. F
Col. H Page 10, Col. L
Col. I Col. G - Col. H
Col. L Col. J - Col. K
Col. O Col. N - Col. M
Col. P Col. G + Col. J + Col. N
Col. Q Col. I + Col. L + Col. O

Western Massachusetts Electric Company
Annual Obligations - Market Value
\$ In Thousands

Col. A Masspower GWH	Col. B Wholesale Market Value	Col. C Projected market	Springfield/ Pioneer GWH	Col. D Wholesale Market Value	Col. E Projected market	Col. F Conn. Yankee GWH	Col. G Col. H	Vermont Yankee GWH	Wholesale Market Value	Projected market	Maine Yankee GWH	Total Col. L
											Col. I	
1998 *	335	0.0332	11,132	40	0.0326	1,317	-	60	0.0743	4,425	-	16,873
1999	380	0.0332	12,615	55	0.0325	1,788	-	91	0.0336	3,069	-	17,471
2000	365	0.0466	17,017	51	0.0451	2,302	-	102	0.0420	4,282	-	23,600
2001	110	0.0506	5,549	49	0.0387	1,879	-	94	0.0513	4,839	-	12,266
2002	-	-	-	45	0.0351	1,588	-	98	0.0353	3,441	-	5,029
2003	-	-	-	44	0.0496	2,174	-	111	0.0496	5,502	-	7,676
2004	-	-	-	43	0.0534	2,320	-	96	0.0514	4,960	-	7,280
2005	-	-	-	41	0.0783	3,179	-	103	0.0737	7,562	-	10,741
2006	-	-	-	56	0.0356	1,994	-	94	0.0357	3,360	-	5,354
2007	-	-	-	56	0.0368	2,058	-	83	0.0380	3,157	-	5,215
2008	-	-	-	56	0.0368	2,058	-	83	0.0380	3,157	-	5,215
2009	-	-	-	56	0.0368	2,058	-	83	0.0380	3,157	-	5,215
2010	-	-	-	56	0.0368	2,058	-	83	0.0380	3,157	-	5,215
2011	-	-	-	-	-	-	-	83	0.0380	3,138	-	3,138
2012	-	-	-	-	-	-	-	20	0.0380	764	-	764
2013 **	-	-	-	-	-	-	-	-	-	-	-	0

*1998 is based on 10 months

** 2013 is based on 4 months 17 days

Legend:
 Col. L Col. C + Col. F + Col. J

Western Massachusetts Electric Company
Summary of Transition Charges
* In Thousands

REDACTED													
Year End Col. A	Fossil/ Hydro (Col. B (1))	Northfield Mountain (20 yrs.)	Cabot/ Turner Falls (23 yrs.)	Milestone Unit 1 (12 yrs.)	Milestone Unit 2 (1 yrs.)	Milestone Unit 3 (27 yrs.)	Fossil/Hydro Assets Col. F	Reg. Assets Earning a Return Col. H	Accelerated FAAS 100 Earning a Return For Retiree Col. I (1)	Decelerated FAAS 100 Earning a Return For Company Col. I (2)	Purchase Power Buyouts Securitized Col. Q		
3/1/98 07/15/1998 07/24/1998 MP1 Shutdown 12/31/98 1/1/99	15,410 14,682 14,613 13,739 13,739 13,739	12,970 12,803 12,733 28,703 28,703 28,703	29,216 28,986 28,971 - - -	47,937 46,438 99,031 103,281 99,933 99,933	101,287 258,894 258,615 253,872 253,872 253,872	282,965 460,814 418,282 62,451 62,451 62,451	4,287 4,153 64,888 (16,227) (16,227) (16,227)	(15,281) (15,662) (16,687) (16,227) (16,227) (16,227)	- 52,569 52,422 49,806 49,806 49,806	264 109 (37,911) (38,370) (38,370) (38,370)	- - - - - -	476,808 411,557 429,641 466,022 466,022 466,022	421,999 464,125 429,641 416,216 416,216 402,342
1/1/99 05/19/1999 6/30/99 12/31/99 7/99 1/1/00	13,739 13,034 12,821 12,178 - -	12,598 12,437 12,381 28,338 27,972 -	28,703 28,422 28,338 - - -	- 97,579 96,888 96,888 89,858 86,991 -	- 250,147 249,021 249,021 231,001 226,502 -	253,872 60,169 399,435 (18,020) 353,642 -	408,845 62,451 59,854 (37,850) 56,056 -	(16,127) (15,514) (16,635) 33,333 (12,170)	- 47,500 46,803 46,803 47,136 44,078 -	- (39,668) (39,909) (203) (203) (203)	- - - - - -	453,064 405,564 405,564 449,145 449,145 401,039	416,216 402,342 356,960
FOSILL SALE (1) 7/99 12/31/99	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	
1/1/00 03/13/2000 03/14/2000 1/23/2000 1/01/01 03/12/2001 04/01/2001 04/01/2001 05/17/2001	- - - - - - - -	- - - - - - - -	- - - - - - - -	- - - - - - - -	- - - - - - - -	- - - - - - - -	- - - - - - - -	- - - - - - - -	- - - - - - - -	- - - - - - - -	- - - - - - - -	356,960 356,960	
Decom Adj Nuclear Sale	-	-	-	-	-	-	-	-	-	-	-	-	-

Western Massachusetts Electric Company
Calculation of Book Basis
for Deferred Taxes

DOE D&D	Nonmp3debt	IPP	Buyouts	Unamort. Loss recac	Prior Call Prem assoc w debt only			ITC Pre 1971	Total Reg Asset	Prior Spent Fuel	Difference Reg Asset - Spent Fuel
					FAS 109	Accelerated	ITC Pre 1971				
03/01/1998	4,129	273	-	-	(15,281)	(115)	(10,994)	(37,036)	(48,030)		
07/15/1998	4,001	265	-	-	(15,662)	(112)	(11,509)	(37,857)	(49,366)		
07/24/1998	3,992	264	-	-	(15,687)	(112)	(11,543)	(37,911)	(49,454)		
12/31/1998	3,842	254	-	-	(16,127)	(109)	(12,140)	(38,870)	(51,010)		
01/01/1999	3,842	254	-	-	(16,127)	(109)	(12,140)	(38,870)	(51,010)		
05/19/1999	3,710	245	-	-	(16,514)	(106)	(12,665)	(39,668)	(52,333)		
06/30/1999	3,670	243	-	-	(16,635)	(105)	(12,828)	(39,909)	(52,737)		
07/01/1999	3,670	243	-	-	(11,498)	(105)	(7,690)	(39,909)	(47,599)		
12/31/1999	3,498	231	-	-	(12,170)	(102)	(8,542)	(41,045)	(49,587)		

Western Massachusetts Electric Company
Deferred Taxes on Fixed Component
\$ in Thousands

Deferred Tax Calculation:	Book Basis						Balance Net Book Value of Generation	Spent Fuel Tax Basis	Total Tax Basis	Excess Book Over Tax	Deferred Taxes on Decommissioning	Net Deferred Taxes Col. M	
	Regulatory Assets	Fossil/Hydro	Cابو/Northfield	Millstone Unit 1 (12 yrs.)	Millstone Unit 2 (17 yrs.)	Millstone Unit 3 (27 yrs.)							
Col. A	Col. B	Col. C	Col. D	Col. E	Col. F		Col. G	Col. H	Col. I	Col. J	Col. K	Col. L	Col. N
3/1/98*	(48,030)	15,410	42,186	47,937	101,267	262,965	421,735	76,473	(39,399)	37,074	384,661	150,883	(4,372)
07/15/1998	(49,356)	14,662	41,790	46,338	99,031	256,894	411,448	69,948	(40,148)	29,799	381,649	149,702	(5,242)
07/24/1998	(49,454)	14,613	41,764	60,744	103,261	256,615	429,542	69,519	(40,985)	400,321	156,987	150,221	(5,289)
1998	(51,010)	13,759	41,301	58,464	99,933	253,872	416,299	61,898	(41,073)	20,825	395,474	155,125	(6,315)
11/1/1999	(51,010)	13,759	41,301	58,464	99,933	253,872	416,299	61,898	(41,073)	20,825	395,474	155,125	(6,315)
05/19/1999	(52,353)	13,034	40,859	56,454	97,579	250,147	405,740	59,312	(41,828)	17,485	388,255	152,283	(5,242)
6/5/00/99	(52,737)	12,821	40,726	56,846	96,868	249,021	402,545	58,531	(42,056)	16,476	386,069	151,436	(4,918)
07/01/1999	(47,559)	-	40,726	56,846	89,858	231,001	369,832	47,167	(42,056)	5,112	364,721	143,062	(4,918)
1999	(49,557)	-	40,150	53,228	86,991	226,502	357,283	44,359	(43,038)	1,331	365,952	139,622	(3,520)
01/01/2000	(29,887)	-	40,150	53,228	86,991	226,502	376,983	44,359	(43,038)	1,331	375,652	147,350	(3,520)
03/13/2000	(30,751)	39,744	52,184	85,847	224,706	371,690	43,246	(43,556)	(3,19)	372,009	145,921	(2,814)	
03/14/2000	(18,353)	-	52,184	47,131	123,368	204,330	30,329	(43,556)	(13,236)	217,566	85,340	-	
12/31/2000	(20,906)	-	47,983	44,619	119,425	191,131	27,047	(45,688)	(18,621)	208,752	82,275	-	
01/01/2001	(20,906)	-	47,983	44,619	119,425	191,131	27,047	(45,688)	(18,621)	208,752	82,275	-	
03/31/2001	(21,683)	-	46,684	43,831	118,190	187,023	26,016	(46,154)	(20,158)	207,160	81,259	-	
04/01/2001	(21,553)	-	46,684	13,194	33,827	72,112	-	(46,154)	(46,154)	118,266	46,390	-	
05/17/2001	(21,869)	46,013	13,000	33,329	70,492	-	(46,403)	(46,403)	(46,403)	118,895	45,852	-	
05/18/2001	68,534	46,013	13,000	33,329	160,875	-	(46,403)	(46,403)	(46,403)	207,278	81,305	-	
2001	64,886	42,757	12,268	32,556	152,486	-	(47,612)	(47,612)	(47,612)	200,078	78,480	-	
2002	56,918	37,522	10,994	30,512	135,945	-	(48,238)	(48,238)	(48,238)	184,184	72,246	-	
		-	(7,090)	-	(7,090)	-	-	-	-	(7,090)	(2,781)	-	
Apply overrecovery													
01/01/2003	56,918	-	37,322	3,904	30,512	128,855	-	(48,238)	(48,238)	177,094	69,465	-	
2003	48,987	-	32,286	3,633	28,395	113,301	-	(48,770)	(48,770)	162,071	63,572	-	
09/30/2004	42,667	-	28,367	3,416	26,701	101,150	-	(49,168)	(49,168)	150,318	58,982	-	
10/01/2004	90,763	28,367	3,416	26,701	149,246	-	-	-	-	149,246	58,542	-	
2004	88,859	27,051	3,343	26,132	145,365	-	-	-	-	145,365	57,019	-	
2005	80,637	2,815	3,035	2,815	23,719	129,206	-	-	-	129,206	50,681	-	
2006	71,888	16,579	2,705	21,146	112,319	-	-	-	-	112,319	44,057	-	
01/01/2007	71,888	16,579	2,705	21,146	112,319	-	-	-	-	112,319	44,057	-	
2007	62,556	11,344	2,354	18,401	76,655	-	-	-	-	94,655	37,128	-	
2008	52,596	6,108	1,979	15,471	76,154	-	-	-	-	76,154	29,872	-	
2009	40,501	873	1,580	12,349	55,302	-	-	-	-	55,302	21,692	-	
2010	29,079	(0)	1,154	9,017	39,250	-	-	-	-	39,250	15,396	-	
2011	17,621	-	699	5,464	23,785	-	-	-	-	23,785	9,330	-	
2012	5,395	-	214	1,673	7,282	-	-	-	-	7,282	2,856	-	
2013**	-	-	-	-	-	-	-	-	-	-	-	-	

*1998 is based on 10 months
** 2013 is based on 4 months 17 days

Legend: Col. A
Col. L
Col. K * Composite Tax Rate of 39.2250%

Western Massachusetts Electric Company
Summary of Transition Charges
Carrying Charge on Fixed Component

Year End	Balance Of Fixed Component	Deferred Taxes Credit Due to Sale to Affiliate Component	Col. B (1)	Col. B (2)	Col. C (1)	Deferred Taxes	FAS 109 Gross Up	FAS 109 Net Balance	Average Net Balance	Return On Unamortized Balance		Rate of Return on Capital Col. G
										Col. C (2)	Col. C (3)	
3/1/98	421,999	-	421,999	146,511	73,141	(24,862)	323,777	319,145	314,514	(24,075)	325,313	319,914
7/15/98	411,557	-	411,557	144,460	71,492	(24,024)	324,024	313,760	319,537	(23,126)	323,337	319,621
7/24/98	429,641	-	429,641	151,688	71,384	(24,075)	325,313	319,914	313,760	(23,126)	323,337	319,621
4/16,216	-	416,216	148,810	69,480	(23,126)	313,760	319,537	313,760	313,760	313,760	313,760	313,760
1/1/99	416,216	-	416,216	148,810	69,480	(23,126)	313,760	319,537	313,760	313,760	313,760	313,760
5/19/99	405,564	-	405,564	147,051	67,807	(22,337)	303,983	308,872	302,500	301,016	(22,091)	273,991
6/30/99	402,342	-	402,342	146,518	67,284	(22,091)	273,991	273,991	273,991	273,991	273,991	273,991
7/1/99	369,629	-	369,629	138,144	63,861	(21,991)	273,991	273,991	273,991	273,991	273,991	273,991
12/31/99	356,960	-	356,960	136,102	61,771	(21,055)	267,414	267,414	267,414	261,574	(21,055)	261,574
1/1/00	356,960	-	356,960	143,830	61,771	(21,055)	253,846	253,846	253,846	253,846	(20,642)	248,832
3/13/00	351,643	-	351,643	143,106	60,937	(20,642)	251,339	251,339	251,339	251,339	(20,642)	251,339
3/14/00	190,554	(27,817)	162,737	82,526	42,636	(20,642)	102,205	102,205	102,205	102,205	(20,642)	102,205
12/31/00	175,965	(27,817)	148,148	82,275	39,971	(18,984)	86,859	94,532	94,532	94,532	(18,984)	94,532
3/31/01	171,431	(27,469)	143,961	81,259	39,138	(18,467)	83,374	85,117	85,117	85,117	(18,467)	85,117
4/1/01	70,325	(27,469)	42,856	46,390	28,808	(20,152)	5,123	5,123	5,123	5,123	(20,152)	5,123
5/17/01	68,446	(27,280)	41,156	45,852	28,353	(19,362)	3,335	4,479	4,479	4,479	(19,362)	4,479
5/18/01	27,650	(27,290)	340	81,305	28,383	(19,862)	(72,434)	(73,634)	(73,634)	(73,634)	(72,434)	(73,634)
2001	21,306	(25,814)	(45,008)	78,480	26,570	(18,457)	(74,875)	(75,896)	(75,896)	(75,896)	(74,875)	(75,896)
2002	11,841	(23,861)	(12,020)	72,246	23,545	(16,197)	(76,917)	(75,896)	(75,896)	(75,896)	(76,917)	(75,896)
	(6,455)	(6,455)	(7,81)	(7,81)	(7,81)	(7,81)	(7,81)	(7,81)	(7,81)	(7,81)	(7,81)	(7,81)
	5,386	(23,861)	(18,475)	69,465	22,826	(16,197)	(81,310)	(81,310)	(81,310)	(81,310)	(81,310)	(81,310)
2003	(2,859)	(21,955)	(24,814)	63,572	19,895	(13,937)	(82,428)	(81,869)	(81,869)	(81,869)	(82,428)	(81,869)
1/1/04	(2,859)	(21,955)	(24,814)	63,572	19,895	(13,937)	(82,428)	(82,428)	(82,428)	(82,428)	(82,428)	(82,428)
9/30/04	(9,020)	(20,557)	(29,577)	58,962	17,684	(12,242)	(83,097)	(82,762)	(82,762)	(82,762)	(83,097)	(82,762)
10/1/04	39,076	(20,557)	(18,519)	58,542	17,684	(12,242)	(83,097)	(82,762)	(82,762)	(82,762)	(83,097)	(82,762)
2004	37,192	(20,091)	17,101	57,019	16,947	(11,677)	(84,648)	(84,648)	(84,648)	(84,648)	(84,648)	(84,648)
2005	29,712	(18,286)	11,446	50,681	13,980	(9,417)	(82,428)	(82,428)	(82,428)	(82,428)	(82,428)	(82,428)
2006	22,249	(16,478)	5,771	44,057	10,995	(7,157)	(84,560)	(84,560)	(84,560)	(84,560)	(84,560)	(84,560)
11/1/07	22,249	-	22,249	44,057	10,995	(7,157)	(84,560)	(84,560)	(84,560)	(84,560)	(84,560)	(84,560)
2007	14,804	-	14,804	37,128	7,989	(4,887)	(18,232)	(18,601)	(18,601)	(18,601)	(18,232)	(18,601)
2008	7,379	-	7,379	29,872	4,982	(2,637)	(22,168)	(19,700)	(19,700)	(19,700)	(21,141)	(19,700)
2009	(607)	(607)	(607)	21,692	1,911	(3,877)	(20,466)	(20,466)	(20,466)	(20,466)	(20,466)	(20,466)
2010	(1,576)	(1,576)	(1,576)	15,396	1,069	(0)	(15,902)	(15,902)	(15,902)	(15,902)	(15,902)	(15,902)
2011	(985)	(985)	(985)	9,350	648	(0)	(6,636)	(6,636)	(6,636)	(6,636)	(6,636)	(6,636)
2012	(292)	(292)	(292)	2,856	198	(0)	(6,233)	(6,233)	(6,233)	(6,233)	(6,233)	(6,233)
5/17/2013	-	-	-	-	0	0	(1,475)	(1,475)	(1,475)	(1,475)	(1,475)	(1,475)

Legend:

- Col. B (1) Page 11, Col. S
- Col. B (2) Per Company Books
- Col. C (1) Col. N
- Col. D Col. B3 - [Col. C (1) - (Col. (2) + Col. C (3))]
- Col. E (Col. D prior period + Col. D current period) / 2
- Col. F (1) Daily Weighted Average Total Carrying Charge
- Col. F (2) Page 12A
- Col. F (3) Page 12B
- Col. F (4) Col F(1) - Col. F(2) - Col. F(3)
- Col. G Page 12AA

(1) Return on adjusted per DTE 00-33 Order based on IRAG 1-35,3-8

Western Massachusetts Electric Company Actual Capital Structure By Year

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Base Return Component		01/10/08-12/31/08		01/10/09-12/31/09	
		Capital Structure		Capital Structure	
Cost Rates	LTD	55.41%	7.70%	25.52%	6.68%
Preferred	LTD	6.74%	8.75%	0.0%	0.0%
Common Equity	LTD	38.98%	11.03%	74.90%	11.03%
	Total Weighted Cost Rates	103.10%	9.35%	103.05%	9.16%
Cost Rates	LTD	6.16%			
Preferred	LTD	8.75%			
Common Equity	LTD	11.00%			
	Total Weighted Cost Rates	9.97%			
Reimbursement for taxes on equity component		5.28%			
Rate of Return on Capita		15.65%			
Base Return Component		01/10/08-12/31/08		01/10/09-12/31/09	
		Capital Structure		Capital Structure	
Cost Rates	LTD	56.70%	5.98%	50.70%	5.68%
Preferred	LTD	0.0%	0.0%	0.0%	0.0%
Common Equity	LTD	69.30%	9.85%	100.00%	7.97%
	Total Weighted Cost Rates		7.73%		10.87%
Cost Rates	LTD	5.68%			
Preferred	LTD	0.0%			
Common Equity	LTD	11.00%			
	Total Weighted Cost Rates		8.30%		8.30%
Reimbursement for taxes on equity component		2.57%			
Rate of Return on Capita		10.87%			
Base Return Component		01/10/08-12/31/08		01/10/09-12/31/09	
		Capital Structure		Capital Structure	
Cost Rates	LTD	56.70%	5.98%	50.70%	5.68%
Preferred	LTD	0.0%	0.0%	0.0%	0.0%
Common Equity	LTD	69.30%	9.85%	100.00%	7.97%
	Total Weighted Cost Rates		7.73%		10.87%
Cost Rates	LTD	5.68%			
Preferred	LTD	0.0%			
Common Equity	LTD	11.00%			
	Total Weighted Cost Rates		8.30%		8.30%
Reimbursement for taxes on equity component		2.57%			
Rate of Return on Capita		10.87%			
Base Return Component		01/10/08-12/31/08		01/10/09-12/31/09	
		Capital Structure		Capital Structure	
Cost Rates	LTD	56.70%	5.98%	50.70%	5.68%
Preferred	LTD	0.0%	0.0%	0.0%	0.0%
Common Equity	LTD	69.30%	9.85%	100.00%	7.97%
	Total Weighted Cost Rates		7.73%		10.87%
Cost Rates	LTD	5.68%			
Preferred	LTD	0.0%			
Common Equity	LTD	11.00%			
	Total Weighted Cost Rates		8.30%		8.30%
Reimbursement for taxes on equity component		2.57%			
Rate of Return on Capita		10.87%			

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Western Massachusetts Electric Company
Summary of Transition Charges
Carrying Charge on Fixed Component
\$ in Thousands

DISALLOWANCE OF RETURN ON MILLSTONE 2 & 3

Deferred Tax Calculation	Book Plant		Tax Plant		Difference		Deferred Income Tax	
	MP2	MP3	MP2	MP3	MP2	MP3	MP2	MP3
03/01/1998	101,267	262,965	26,254	10,002	75,013	252,963	29,424	99,225
07/15/1998	99,031	258,894	25,307	9,555	73,724	249,339	28,918	97,803
07/24/1998	103,261		25,245		78,016		30,602	30,602
12/31/1998	99,933		24,139		75,794		29,730	29,730
05/19/1999	97,579		23,178		74,401		29,184	29,184

Gross Ratebase MP2 and MP3	Deferred Income Tax		FAS 109		FAS 109		Net Ratebase		Average Ratebase		Return Disallowance	
	MP2	MP3	Gross Up	Gross Up	Ratebase	Ratebase	1998	1999	1998	1999	1998	1999
03/01/1998	364,232	128,649	57,587	(19,269)	273,901							
07/15/1998	357,925	126,722	56,364	(18,666)	268,902							
07/24/1998	103,261	30,602	15,582	(5,179)	83,062							
12/31/1998	99,933	29,730	15,117	(4,985)	80,334							
05/19/1999	97,579	29,184	14,708	(4,815)	78,288							
					79,311							
							16,917	3,809				

Western Massachusetts Electric Company
Summary of Transition Charges
Carrying Charge on Fixed Component
\$ in Thousands

Exhibit MJM-3
 2005 Reconciliation
 DTE: 06-35
 Page 12B of 13

DISALLOWANCE OF RETURN ON MILLSTONE 1

Deferred Tax Calculation	Book MP1 Reg. Asset	Plant MP1 Reg. Asset	Tax MP1 Reg. Asset	Difference MP1 Reg. Asset	Deferred Income Tax @ 39.2250% MP1 Reg. Asset
03/01/1998	47,937	11,666	36,271	14,227	
07/24/1999	60,744	7,171	53,573	21,014	
12/31/1998	58,464	2,246	56,218	22,052	
12/31/1999	53,228	2,003	51,125	20,093	
2000	47,983	1,782	46,211	18,126	
03/31/2001	46,684	1,727	44,957	17,634	
05/17/2001	46,013	-	46,013	18,049	
2001	42,757	-	42,757	16,772	
2002	37,522	-	37,522	14,718	
01/01/2003	37,522	-	37,522	14,718	
2003	32,286	-	32,286	12,664	
09/30/2004	28,367	-	28,367	11,127	
10/01/2004	28,367	-	28,367	11,127	
2004	27,051	-	27,051	10,611	
2005	21,815	-	21,815	8,557	
2006	16,579	-	16,579	6,503	
01/01/2007	16,579	-	16,579	6,503	
2007	11,344	-	11,344	4,450	
2008	6,108	-	6,108	2,396	
2009	873	-	873	342	
2010	(0)	-	(0)	(0)	
2011	-	-	-	-	
2012	-	-	-	-	
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Gross Ratebase	Deferred Income Tax	FAS 109 Gross Up	FAS 109	Net Ratebase	Average Ratebase
03/01/1998	47,937	14,227	7,579	(2,536)	38,753
07/24/1998	60,744	21,014	7,326	(2,451)	44,605
12/31/1998	58,464	22,052	7,053	(2,360)	41,105
12/31/1999	53,228	20,093	6,421	(2,149)	39,257
2000	47,983	18,126	5,790	(1,937)	33,719
2001	42,757	16,772	5,316	(1,883)	29,418
2002	37,522	14,718	4,665	(1,653)	25,816
2003	32,286	12,664	4,014	(1,422)	22,213
09/30/2004	28,367	11,127	3,527	(1,250)	19,517
10/01/2004	28,367	11,127	3,527	(1,250)	19,517
2004	27,051	10,611	3,363	(1,192)	18,611
2005	21,815	8,557	2,712	(961)	15,098
2006	16,579	6,503	2,061	(730)	11,407
01/01/2007	16,579	6,503	2,061	(730)	11,407
2007	11,344	4,450	1,410	(500)	7,805
2008	6,108	2,396	759	(269)	4,203
2009	873	342	109	(38)	601
2010	(0)	(0)	0	(0)	0
2011	-	-	-	-	-
2012	-	-	-	-	-
05/17/2013	-	-	-	-	-
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Return Disallowance					

Western Massachusetts Electric Company
Summary of Transition Charges
Carrying Charge on FAS 106
\$ in Thousands

Year End Col. A	Balance Col. B	Average Net Balance Col. C	Return On Unamortized Balance Col. D
3/1/98	8,061		
1998	7,501	7,781	503
1/1/99	7,501		
1999	6,829	6,997	538
12/31/2000	6,158	6,494	461
2001	5,486	5,822	445
2002	4,814	5,150	399
2003	4,143	4,478	347
2004	3,471	3,807	295
2005	2,799	3,135	243
2006	2,127	2,463	191
2007	1,456	1,791	139
2008	784	1,120	87
2009	112	448	35

Western Massachusetts Electric Company
5/17/01 Securitization Summary
\$ in Thousands

REDACTED

Exhibit MJM-4

The Western Massachusetts Electric Company
Retail Transmission Tracker
(Whole Dollars)

		<u>2005 Actual</u>
<u>Revenues</u>		
Transmission Revenues		\$ 18,815,504
Total Revenues		<u>\$ 18,815,504</u>
<u>NU Tariff Expenses</u>		
Local Network Service		\$ 4,183,635
Local Network Service - Sub-Total		<u>\$ 4,183,635</u>
<u>NEPOOL Expenses</u>		
Regional Network Service		\$ 12,060,145
Regional Network Service - Sub-Total		<u>\$ 12,060,145</u>
Scheduling and Dispatch Service		\$ 639,003
NEPOOL Expenses - Sub-Total		<u>\$ 12,699,147</u>
<u>ISO Expenses</u>		
Other Power Expenses - NEPOOL		\$ (6,000)
ISO Schedule 1		592,637
ISO Schedule 3		9
Black Start		266,332
ISO- Load Response Program		114,627
Reliability Must Run (RMR)		669,368
Special Constraint Resource (SCR)		2,761,349
VAR Support/NOATT Sch. 2		3,268,613
ISO Expenses - Sub-Total		<u>\$ 7,666,933</u>
Total Expenses		<u>\$ 24,549,716</u>
Total Over/(Under) Recovery		\$ (5,734,211)
Plus: Prior Year Over/(Under) Recovery		<u>(344,802)</u>
Cumulative Over/(Under) Recovery		<u>\$ (6,079,011)</u>
Carrying Charge		(212,186)
Total Cumulative Over/(Under) Recovery		<u>\$ (6,291,197)</u>

2005 ACTUAL WMECO RETAIL TRANSMISSION REVENUES & EXPENSES

	January-05	February-05	March-05	April-05	May-05	June-05	July-05	August-05	September-05	October-05	November-05	December-05	TOTAL 2005
Rvenues													
Transmission Revenues - Billed	1,404,522	1,605,621	1,501,588	1,473,245	1,413,219	1,549,034	1,732,227	1,768,557	1,619,695	1,463,539	1,491,877	1,605,097	18,528,222
Transmission Revenues - Unbilled	(132,488)	(54,219)	98,365	(158,097)	35,470	127,956	6,871	(35,487)	(88,537)	84,357	19,345	18,770	187,282
Total Revenues	1,537,011	1,551,402	1,659,963	1,315,148	1,448,689	1,675,890	1,739,997	1,733,970	1,531,158	1,547,896	1,511,222	1,623,868	18,815,564
NU Tariff Expenses													
Local Network Service	348,420	361,207	359,388	360,480	360,602	360,602	360,602	360,602	360,770	302,898	303,100	303,668	304,708
Local Network Service - Sub-Total	348,420	351,207	359,388	360,480	360,602	360,602	360,602	360,602	360,770	302,898	303,100	303,668	304,708
NEPOOL Expenses													
Regional Network Service	925,339	909,799	869,571	907,237	778,840	734,946	1,254,966	1,328,461	1,271,434	1,147,896	960,670	970,986	12,060,145
Regional Network Service - Sub-Total	925,339	909,799	869,571	907,237	778,840	734,946	1,254,966	1,328,461	1,271,434	1,147,896	960,670	970,986	12,060,145
Scheduling and Dispatch Service	54,711	53,782	48,561	51,009	43,446	40,920	62,999	66,280	63,598	57,523	48,281	47,892	639,003
NEPOOL Expenses - Sub-Total	980,050	963,581	918,132	958,247	822,286	775,867	1,317,965	1,394,742	1,335,032	1,205,418	1,008,950	1,018,879	12,699,147
ISO Expenses													
Other Power Expenses - NEPOOL	43,183	52,811	51,709	(9)	(44)	(5,174)	(1,309)	499	(56)	(26)	-	-	119
ISO Schedule 1	0	0	1	0	8	46,862	48,385	38,515	57,199	60,506	57,675	51,668	(6,000)
ISO Schedule 3	22,086	22,405	23,716	23,758	24,217	23,981	22,462	20,484	20,116	20,129	20,690	20,0	592,637
Black Start	-	-	-	-	-	-	-	13,167	38,232	32,189	13,767	1,1	9
ISO - Load Response Program	-	-	-	-	-	-	-	-	13,189	527,482	127,336	17,272	114,627
Reliability Must Run (RMR)	-	-	-	-	-	-	-	-	551,665	488,162	275,179	1,362	669,388
Special Constraint Resource (SCR)	-	-	-	-	-	-	-	-	215,314	65,307	144,801	481,388	2,761,349
VAR Support/NOATT Sch. 2	428,589	214,130	153,328	192,743	387,389	567,434	554,726	242,813	891,415	899,004	1,190,945	631,440	92,038
ISO Expenses - Sub-Total	493,859	289,346	228,744	263,320	464,826	630,832	1,025,344	891,415	891,415	899,004	1,190,945	631,440	657,360
Total Expenses	1,822,328	1,604,134	1,506,263	1,582,046	1,647,714	1,984,642	2,647,079	2,589,054	2,537,136	2,700,031	1,945,099	1,984,189	24,549,716
Total Over/(Under) Recovery	(285,318)	(52,732)	93,690	(266,898)	(199,025)	(307,652)	(907,981)	(855,984)	(1,005,978)	(1,152,135)	(433,877)	(360,322)	(5,734,211)

Exhibit MJM-5

**Western Massachusetts Electric Company
2005 Default Service Adder**

	<u>(\$000s)</u>
Certain Default Service-related costs originally allowed recovery in Distribution base rates	* \$ 1,084
Certain Default Service-related costs as charged to customers	* 968
Under (Over) recovery before carrying charges	<u>\$ 115</u>

Carrying Charge Calculation:

Average balance (annual avg.) (115 / 2 = 58)	\$ 58
After tax @ 39.225% (58 * (1-.39225) = 35)	35
Carrying charges (Jul - Dec) @ 10.87% (35 * .1087 / 12 * 6 = 2)	<u>2</u>
Default Service-related costs under recovery including carrying charges	\$ 117

* as defined in the order on offer of settlement in D.T.E. 03-88A-F

Note: Numbers may not add due to rounding.